(Joint Sector Project) which will add 150 MW capacity in the year 1995-96.

Foreign private companies in power sector

6113. SHRI SANATAN BISI: Will the Minister of POWER be pleased to state the main factors being taken into consideration regarding the entry of foreign private companies in power sector before counter guarantee is provided by Government in their favour?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILA CHIMANBHAI PATEL): Power projects being capital intensive, success of the Private power policy naturally depends upon a positive response from the foreign investors, given the limitation of availability of funds with the Public Sector and also in the domestic market. In the absence of State Electricity Boards/State Governments being credit rated, it was felt that it is essential to extend Government of India counter guarantee to some initial projects to create confidence among the international investors/ lenders. Subsequently, Government of India decided to extend counter guarantee only to 8 initial projects cleared from foreign investment angle. Counter Guarantee is finalised, inter-alia, only upon the techno-economic viability of the project and reasonableness of the tariff being established.

Power from southern grid to Karnataka

6114. SHRI K. RAHMAN KHAN: Will the Minister of POWER be pleased to state:

(a) whether the Government of Andhra Pradesh is drawing more than its share of power from southern grid during the last two months;

(b) whether this action of the Andhra Pradesh Government has deprived Karnataka of its legitimate share of power from the southern grid; and

(c) whether the Government of Karnataka has brought this irregularity to the notice of the Central Government, if so, what action is being taken to provide the legitimate share of power to Karnataka?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILA CHIMANBHAI PATEL): (a) Yes, Sir.

(b) Yes, Sir.

(c) Government of Karnataka has brought to the notice of the Central Government regarding overdrawal of power by APSEB. Andhra Pradesh, as well as other constituents of Southern Region, have been directed to draw power strictly according to their respective shares, and maintain stirct grid discipline, Southern Regional Electricity Board (SREB) and Powergrid are continquously monitoring implementation of the directives and are taking appropriate remedial measures.

Private Power Projects

6115. DR. BAPU KALDATE: Will the Minister of POWER be pleased to state:

(a) whether Government's attention has been drawn to news item appearing in the Economic Times dated the 10th January, 1995 under the heading 'Private Power Projects fail to take off';

(b) if so, what are the details thereof;

(c) whether it is also a fact that private sector power projects are not

able to start their projects on account of long gestation period and the size of capital investment with a prohibitive debt burden; and

(d) if so, the remedial steps taken/proposed to be taken in that regard?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILA CHIMANBHAI PATEL): (a) Yes, Sir.

(b) to (d) The private power policy of Government of India has been widely accepted, both by domestic investors as well as inter-national investors, as is evidenced from the 195 expressions of interest received from private investors. The policy provides, inter-alia, tax holiday in respect of 100 per cent taxable profits in the first five years, and 30 per cent taxable profits in the following five years for power plants commencing commercial operation before March 31, 1998. The customs duty for import of power equipment has been reduced to 20 per cent and this rate has also been extended to machinery required for modernisation and renovation of power plants.

Since power projects are capital intensive and also required several statutory as well as non-statutory clearances, some time is bound to be required before construction work on the projects could start.

Tehri Project

3116. SHRIMATI SUSHMA SWARAJ:

SHRI RAM JETHMALANI:

Will the Minister of POWER be pleased to state:

(a) whether it is a fact that the construction work of Tehri Project is being carried out by Government continuously;

(b) if so, the total amount spent on the construction work of said project till March 1995;

(c) whether the size and shape of Tehri project has since been finalised by Government; and

(d) if so, what is the estimated amount of the total project expenditure as per the final decision taken regarding construction of the project and by when it is to be completed?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILA CHIMANBHAI PATEL): (a) The construction work of Tehri Project is being carried out by Tehri Hydro Development Corporation.

(b) A sum of about Rs. 909 crores (provisional) has been spent on the project till March, 1995.

(c) and (d) The Tehri Dam Hydroelectric Project (4x250MW) Stage I has been approved at a cost of Rs. 2963.66 crores (March, 1993 price level) for being completed by March, 1999.

Penalty for delay in power supply in Maharashtra State Electricity Board by Enron

6117. SHRI SANATAN BISI: Will the Minister of POWER be pleased to state:

(a) whether it is a fact that, as per the agreement, Enron will pay penalties for any delay in supply of power to Maharashtra State Electricity Board; and

(b) if so, the details of such penalties?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI URMILA CHIMANBHAI PATEL): (a) Yes, Sir.

(b) As per the Agreement, Dabhol Power Company is to complete Phase